



SERVICE AREA AGREEMENT
BETWEEN
ILLINOIS POWER COMPANY
AND

ILLINOIS VALLEY ELECTRIC COOPERATIVE, INC.

OFFICIAL COPY
ILLINOIS POWER COMPANY

AGREEMENT entered into as of the 21st day of October, 1970, between ILLINOIS POWER COMPANY, an Illinois corporation (Illinois Power) and ILLINOIS VALLEY ELECTRIC COOPERATIVE, INC., an Illinois not-for-profit corporation (Illinois Valley).

Illinois Power and Illinois Valley have existing electric facilities and are providing electric service to consumers in an area comprised of parts of Bureau, Henry, Kendall, Knox, LaSalle, Marshall, Putnam, and Stark Counties, Illinois. In order to avoid duplication of facilities and to minimize disputes which may result in inconvenience and diminished efficiency of electric service to the public, Illinois Power and Illinois Valley, each being an "Electric Supplier" as that term is defined in the Electric Supplier Act, approved July 2, 1965, do enter into this Agreement for the purpose of defining and delineating, as between themselves, service areas in which each is to provide electric service.

In consideration of the mutual covenants and undertakings herein contained, Illinois Power and Illinois Valley AGREE as follows:

Section 1. (a) "Party" as used herein refers to one of the parties to this Agreement.

(b) "Existing customer" as used herein means a consumer who is receiving electric service on the effective date hereof.

(c) "Existing point of delivery" as used herein means an electric service connection which is in existence on the effective date hereof. An electric service connection which is idle on the effective date hereof or which thereafter becomes idle shall be deemed to be an existing point of delivery provided the transformer and electric service drop have not been removed prior to the time electric service is resumed at such electric service connection.

(d) "New customer" as used herein means any person, corporation, or entity, who applies for electric service at a location which does not have an existing point of delivery on the effective date of this Agreement.

(e) "Large line corridor" as used herein means an area one-quarter of a mile in width on each side of the center line of a 34.5 Kv or higher voltage electric line, which electric line was energized on July 2, 1965, and owned by a party hereto or subject to use or operation pursuant to a contract between said party and the owner thereof, and which electric line, by virtue of the terms of this Agreement, is not located within a Service Area of the party who has said rights of ownership or operation.

(f) "High voltage line" as used herein means an electric line having a voltage of 34.5 Kv or higher.

(g) "Effective date" as used herein means the date of the approval of this Agreement by the Illinois Commerce Commission.

Section 2. Illinois Power and Illinois Valley hereby establish territorial boundary lines delineating the Service Areas (the Service Area or Areas) of each party. The territorial boundary lines and the respective Service Areas are shown on the maps attached hereto and marked Exhibits 1 and 2 and incorporated herein by reference. Exhibits 1 and 2 show the location of the electric lines which each party owned on July 2, 1965, including the 34.5 Kv or higher voltage electric lines which each party owns or is entitled to use or operate and are prima facie evidence of the location of such line

Section 3. (a) Except as otherwise provided in or permitted by this Section and Sections 4 and 7 of this Agreement, each party shall have the exclusive right to serve all existing customers and new customers whose points of delivery are or will be located within its Service Areas and neither party shall serve a new customer within the Service Areas of the other party.

(b) Each party shall have the right to continue to serve all of its existing customers and all of its existing points of delivery which are located within a Service Area of the other party on the effective date.

(c) A new customer whose point of delivery is or would be located within a Large Line Corridor and whose demand within the 12 months following the construction period is estimated, based upon the application of accepted engineering practices, to be 150 kilowatts or more if the high voltage line is 34.5 Kv, 375 kilowatts or more if such line is 69 Kv, and 500 kilowatts or more if such line is in excess of 69 Kv, shall be served by the party owning or entitled to operate from the high voltage line; provided, however, that where the party in whose Service Area the

large line corridor is located also has a high voltage line within one-quarter of a mile of the high voltage line in the large line corridor, the party whose high voltage line was first installed shall provide electric service to any customer whose demand within 12 months following the construction period is estimated as aforesaid to exceed 150 kilowatts. For the purposes of applying Sub-paragraph 3(c), all high voltage lines shall be deemed to have the same voltage characteristics, location and rights which said lines had on July 2, 1965, even though said line or lines are subsequently rebuilt, relocated, removed, or operated at a different voltage.

(d) A party who receives a written application for electric service from a new customer whose demand within the 12 months following the construction period is estimated, based upon the application of accepted engineering practices, to exceed 1,500 Kw, and whose point of delivery would not be located within a large line corridor, shall, within 10 days, notify the other party of such request. The parties shall, within 30 days thereafter, seek to determine which party shall provide the proposed electric service and, in such connection, shall be guided by the provisions of the Electric Supplier Act approved July 2, 1965. If the parties are unable to make such determination, either party may initiate proceedings under the Electric Supplier Act for the purpose of having such determination made by the Illinois Commerce Commission.

Section 4. (a) If any territory in a Service Area of either party shall, after the effective date, be annexed to a municipality in which the other party holds an electric franchise in effect on the date of such annexation, the territorial boundary line delineating Service Areas provided for in Section 2 shall not apply to any new customers in such annexed territory. Within thirty days after the date of such annexation, the parties shall seek to determine which party shall provide electric service to any such new customers, and, in that connection, shall be guided by the provisions of the Electric Supplier Act approved July 2, 1965, and the general principle that the Service Areas as determined in this Agreement shall continue to be Service Areas of the respective parties. If the parties are unable to make such determination, either party may initiate proceedings under the Electric Supplier Act for the purpose of having such determination made by the Illinois Commerce Commission.

7)

(b) The parties shall not oppose by official action each other's efforts to secure authorization to provide electric service, which either may be required to obtain from any incorporated municipality under the provisions of the Electric Supplier Act, approved July 2, 1965, for any annexed area assigned by any amendment to this Agreement or for any annexed area which the Illinois Commerce Commission determines that either party is entitled to serve.

Section 5. Either party may construct new lines and may maintain, operate, renew and replace existing electric facilities in the Service Areas of the other party. New construction shall not establish a large line corridor or corridors, nor alter or affect the right of either party to provide electric service to any new customer. Each party shall cooperate with the other party in obtaining rights of way and construction clearances for new lines through its Service Area.

Section 6. The parties undertake to furnish reasonable and adequate service to the customers each is or may be entitled to serve under this Agreement, provided that this undertaking is solely for the benefit of the respective customers and is intended to be enforced in accordance with the provisions of Section 9 of the Electric Supplier Act approved July 2, 1965, by Illinois Valley's customers and is intended to be enforced in accordance with the Public Utilities Act by Illinois Power's customers.

Section 7. If either party should request the other to furnish electric service to a customer who the requesting party is entitled to serve by virtue of this Agreement and the other party does render such service, this Agreement shall not thereby be voided but shall otherwise remain in full force and effect.

Section 8. Any agreement between the parties which is made pursuant to the provisions of Sections 3, 4, or 7 shall be in the form of an amendment to this Agreement and shall be made subject to the approval of the Illinois Commerce Commission.

17)

Section 9. Illinois Power and Illinois Valley shall jointly submit this Agreement to the Illinois Commerce Commission for its approval. On the date of approval by the Commission, this Agreement shall become effective and shall continue in full force and effect until or unless it is amended or rescinded by a written agreement and such amendment or rescission is approved by the Illinois Commerce Commission.

Section 10. This agreement shall be executed in four counterparts, each of which shall constitute an original.

Section 11. The obligations and rights of this Agreement shall be binding upon and shall inure to the benefit of the assigns or successors of the parties.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed and its corporate seal to be affixed by its duly authorized officers, as of the day and year first above written.

ILLINOIS POWER COMPANY

By J. G. Meenen
Senior Vice-President

ATTEST:

E. G. Muck
Secretary

(SEAL)

ILLINOIS VALLEY ELECTRIC COOPERATIVE, INC.

By [Signature]
President

ATTEST:

[Signature]
Secretary

(SEAL)